

**Return on Investment Program Funding Application (FY 2003 Request)**

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.

**FINAL AUDIT REQUIRED:** The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

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N**SECTION I: PROPOSAL**Date: 7/12/01Agency Name: Information Technology DepartmentProject Name: Digital GovernmentExpenditure Name: Pooled TechnologyAgency Manager: Dan CombsAgency Manager Phone Number / E-mail: dan.combs@itd.state.ia.usExecutive Sponsor (Agency Director or Designee): Dan Combs**Request For ROI Application Waiver:**

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over \$100,000, or any non-routine IT expenditure. If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request. Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

Explanation:

**A. Project or Expenditure Rationale**

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute? ☐ YES (If "YES," explain) ☒ NO

Explanation:

Is this project or expenditure required by State statute? ☐ YES (If "YES," explain) ☒ NO

Explanation:

Does this project or expenditure meet a health, safety or security requirement?

☐ YES (If "YES," explain) ☒ NO

Explanation:

Is this project or expenditure necessary for compliance with an enterprise technology standard?

☐ YES (If "YES," explain) ☒ NO

**Explanation:**

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?

☒ YES (If "YES," explain) ☐ NO

**Explanation:** Historically, State Government has operated as a loose coalition of agencies that concentrate on individual areas of service or activity that affect citizens. There has been little coordination between departments to provide simple, easy access to government services or information, or to provide for simpler, less expensive compliance with government requirements. The mechanisms and incentives did not exist to work across agency boundaries to develop common systems and delivery methods.

Many states have identified a need to create a flexible fund for creating Digital Government. These funds often operate as portfolios of projects in order to level out risk and return over a group of projects rather than on an individual basis. The technology in this area changes very rapidly and the individual projects may vary greatly in size. Citizen wants are variable and there needs to be a way to rapidly address those wants that can be supplied by government. Several states have devoted hundreds of millions of dollars to this area.

The State of Iowa has begun to develop a small, related collection of electronic services and access methods for citizens. This Digital Government budget item will provide more of the structure, connectivity and infrastructure applications to create “government when and where Iowans want.”

The Digital Government package will expand access for citizens, expand the universe of electronic services, allow for better integration of government services and reduce the “hidden tax burden” on citizens. The specific proposals will need to be developed in coordination with various state agencies, but will include projects such as:

- A. Increasing the number of public access terminals. The Iowa Lottery has chosen new terminals that are adaptable to other uses and discussions have begun to develop other applications that can be accessed through these and other terminals. By working with a number of agencies and coordinating efforts cost sharing opportunities have arisen, the public will have a greater number and more comprehensive distribution of access points to electronic government. This project would extend that access to cover some gaps in the coverage geographically and demographically.
- B. Creating the architecture and piloting a Government-Citizen Relationship Management system. This program will enhance the citizen experience by allowing customization of the information delivered, electronic reminders for renewals, reduction in the amount of duplicate information to enter and other improvements.
- C. Creating a “Common Intake System” for government programs. At least three agencies have indicated a desire to create a system to simplify the enrollment process for government services. The agencies have expressed a desire to better serve citizen clients by easing the process for applying and receiving government assistance. By coordinating efforts the process can be improved and costs shared for common elements. The G-CRM system above, the e-forms system and Benefits distribution system below will produce a substantial portion of the software to develop a common intake system. The combination of these projects would produce a powerful, integrated system to better deliver services to Iowans.
- D. Deploying electronic information management system. (e-forms). Creating electronic interactive forms will reduce tremendously the cost of collecting, filing and processing information. Case studies show tremendous reductions in overhead and improvement of services are possible using such systems. (Infrastructure in place)
- E. Extending electronic licensing and permitting. Some professional licenses can be renewed electronically now and the range will be extended to more types of licenses and permits and the system will be developed to include new license applications.
- F. Electronic payments. Increasing ways that the State of Iowa can receive payments to mirror those of the private sector. Many businesses provide a range of methods to accept payments and the state can develop similar systems (DONE)
- G. Extending the methods of distributing benefits. Plans are being developed to increase the available outlets for government payments and disbursements.
- H. Increasing the realm of electronic tax filing. The range of types of tax filings that can be accomplished electronically will be extended. (Several Have been accomplished)
- I. Extending the capabilities of BLIC (Business Licensing Information Center) to include electronic registration for businesses and business licenses. (Improvements have been made)

Some of the projects that will be developed this year will be agency specific. Those projects may coincide or effect enterprise projects. In the process of evaluating the pool of IT projects there will be overlap, coordination, and cost sharing possibilities. The final project list for this year will determine the benefits to be derived, the cost of the pool of projects and the return on investment to be obtained.

Is this a “research and development” project or expenditure? ☐ YES (If “YES,” explain) ☒ NO

**Explanation:**

## B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

**Response:** Each project in this group will expand Iowans' access to government services, will have an associated business process review performed and will employ appropriate information technology to reengineer and/or support government services.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

**Response:** Selection of projects for funding will be based upon the extent to which they improve the quality of life in this state, reduce the "hidden taxes" that Iowans pay and make government services cheaper, better, and faster.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

**Response:** Iowans are the beneficiaries of this expenditure. These funds will be focused on making government easier and more citizen friendly. Making government better at serving citizens does reconnect Iowans to State government. Reducing the hidden costs that Iowans pay in complying with government regulations and accessing government services will mean a better relationship between State of Iowa government and its citizens.

## **SECTION II: PROJECT ADMINISTRATION**

### **A. Agency Information**

1. **Project Executive Sponsor Responsibilities:** The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

**Response:** No response required.

2. **Organization Skills:**

- a. List the project management skills necessary for successful project implementation
- b. List the project management skills available within the agency
- c. List the source(s) of project management skills lacking within the agency
- d. Summarize relevant agency project management experience and results

**Response:** The Information Technology Department has devoted considerable time, people and resources to upgrading our project management skills. Ongoing project management training and a determined effort by the entire department to become a top-notch project oriented department are leading to the development of a large base of skills in project management.

### **B. Project Information**

1. **History:**
  - a. Is this project the first part of a future, larger project? If so, please explain.
  - b. Is this project a continuation of a previously begun project? If so, please explain project history, current status, and results.

**Response:** a. None of these will specifically commit the State of Iowa to further expenditures unless noted.  
b. This budget item is part of an ongoing strategy to create digital government for Iowans.

2. **Expectations:** Describe the primary purpose or reason for the project.

**Response:** To provide enabling technology for government to serve Iowans electronically and better access to State of Iowa government for Iowans

3. **Measures:** Describe the criteria that will be used to determine if the project is successful.

**Response:** Separate criteria will have to be developed as specific projects are chosen.

4. **Environment:** List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

**Response:** Federal, state and local government, and citizens of Iowa.

5. Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

**Response:** The risk of not funding digital government is that Iowa will fall further behind other states and the cost of doing government here will remain higher than that found in other states. Iowa will lose ground as a choice for locating a business or as a residence as other states can offer more and better services at a cheaper cost of government overhead. Young people will continue to migrate to other states and our tax base will further erode.

6. Security / Data Integrity / Data Accuracy / Information Privacy
- List the security requirements of the project
  - Describe how the security requirements will be integrated into the project and tested
  - Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

**Response:** TBD

7. Project Schedule  
Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

**Response:** TBD

**SECTION III: TECHNOLOGY** (In written detail, describe the following)**A. Current Technology Environment**1. Software (Client Side / Server Side / Midrange / Mainframe):

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external

**Response:** TBD2. Hardware (Client Side / Server Side / Mid-range / Mainframe):

- a. Platform, operating system
- b. Storage and physical environment
- c. Connectivity and bandwidth
- d. Logical and physical connectivity
- e. Major interfaces to other systems, both internal and external

**Response:** TBD**B. Proposed Technology Environment**1. Software (Client Side / Server side / Mid-range / Mainframe)

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external
- d. General parameters if specific parameters are unknown or to be determined

**Response:** TBD2. Hardware (Client Side / Server Side / Mid-range / Mainframe)

- a. Platform, operating system
- b. Storage and physical environment
- c. Connectivity and Bandwidth
- d. Logical and physical connectivity
- e. Major interfaces to other systems, both internal and external
- f. General parameters if specific parameters are unknown or to be determined

**Response:** TBD**C. Data Elements**

If the project creates a new database, provide a description of the data elements.

**Response:** TBD



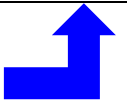
## SECTION IV: Financial Analysis

**A. Budget:** Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[ \left( \frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

| Budget Line Items     | Budget Amount<br>(1 <sup>st</sup> Year Cost) | Useful Life<br>(Years) | % State Share | Annual Ongoing Cost<br>(After 1 <sup>st</sup> Year) | % State Share | Annual Prorated Cost |
|-----------------------|----------------------------------------------|------------------------|---------------|-----------------------------------------------------|---------------|----------------------|
| Agency Staff          | \$                                           | 1                      | %             | \$                                                  | %             | \$                   |
| Software              | \$                                           | 4                      | %             | \$                                                  | %             | \$                   |
| Hardware              | \$                                           | 3                      | %             | \$                                                  | %             | \$                   |
| Training              | \$                                           | 4                      | %             | \$                                                  | %             | \$                   |
| Facilities            | \$                                           | 1                      | %             | \$                                                  | %             | \$                   |
| Professional Services | \$                                           | 4                      | %             | \$                                                  | %             | \$                   |
| ITD Services          | \$                                           | 4                      | %             | \$                                                  | %             | \$                   |
| Supplies, Maint, etc. | \$                                           | 1                      | %             | \$                                                  | %             | \$                   |
| Other (Specify)       | \$                                           | 1                      | %             | \$                                                  | %             | \$                   |
| Totals                | \$10,000,000                                 | -----                  | -----         | \$                                                  | -----         | \$                   |

Transfer this amount to the ROI Financial Worksheet, item "D" on page 13.



**B. Funding:** Enter data or provide response as requested

1. This is (pick one):     ☒ A Pooled Technology Fund or Reengineering Fund Request  
                                      ☐ An Agency IT Expenditure or Budget Request (General Fund, Road Funds, etc)  
                                      ☐ Other – Specify:

2. On a fiscal year basis, enter the estimated cost by funding source?

|                           | FY03         |              | FY04      |              | FY05      |              |
|---------------------------|--------------|--------------|-----------|--------------|-----------|--------------|
|                           | Cost (\$)    | % Total Cost | Cost (\$) | % Total Cost | Cost (\$) | % Total Cost |
| State General Fund        | \$           | %            | \$        | %            | \$        | %            |
| Pooled Tech. Fund         | \$10,000,000 | %            | \$        | %            | \$        | %            |
| Federal Funds             | \$           | %            | \$        | %            | \$        | %            |
| Local Gov. Funds          | \$           | %            | \$        | %            | \$        | %            |
| Grant or Private Funds    | \$           | %            | \$        | %            | \$        | %            |
| Other Funds (Specify)     | \$           | %            | \$        | %            | \$        | %            |
| <b>Total Project Cost</b> | \$10,000,000 | 100%         | \$        | 100%         | \$        | 100%         |

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

**Response:**

1. On a fiscal year basis, how much of the total (\$ amount and %) project / expenditure cost would be absorbed by your agency from normal operating budgets (all funding sources)?

**Response:**

2. Identify, list, and quantify all new annual ongoing (maintenance, staffing, etc.) related costs (State \$s) that will be incurred after implementation or expenditure.

**Response:**

**C. ROI Financial Worksheet:** Respond to the following and transfer data to the ROI Financial Worksheet (see IVC11) as necessary:

1. Annual Pre-Project Cost – Quantify all actual state government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

**Response:**

2. Annual Post-Project Cost – Quantify all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

**Response:**

3. State Government Benefit -- Subtract the total “Annual Post-Project Cost” from the total “Annual Pre-Project Cost.” This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

**Response:**

4. Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens. This includes the “hard cost” value of avoiding expenses (“hidden taxes”) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a “rule of thumb,” use a value of \$10 per hour for citizen time savings and \$.325 per mile for travel cost savings.

**Response:**

5. Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

**Response:**

6. Total Annual Project Benefit -- Add the values of all annual benefit categories.

**Response:**

7. Total Annual Project Cost – It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related. Completing Section IV-A, Project Budget of the evaluation document will provide all the necessary information for this item.

**Response:**

8. Benefit / Cost Ratio\_– Divide the “Total Annual Project Benefit” by the “Total Annual Project Cost.” If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

**Response:**

9. ROI -- Subtract the “Total Annual Project Cost” from the “Total Annual Project Benefit” and divide by the amount of the requested State IT project funds.

**Response:**

10. Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a “1 – 10” basis, with “10” being of highest importance. Check the “Benefits Not Readily Quantifiable” box in the applicable row.

**Response:**

**11. ROI Financial Worksheet****Annual Pre-Project Cost - How You Perform The Function(s) Now**

|                                                                                                      |    |
|------------------------------------------------------------------------------------------------------|----|
| FTE Cost (salary plus benefits):                                                                     | \$ |
| Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):                                | \$ |
| Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.): | \$ |
| <b>A. Total Annual Pre-Project Cost:</b>                                                             | \$ |

**Annual Post-Project Cost – How You Propose to Perform the Function(s)**

|                                                                                                      |    |
|------------------------------------------------------------------------------------------------------|----|
| FTE Cost:                                                                                            | \$ |
| Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):                                | \$ |
| Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.): | \$ |
| <b>B. Total Annual Post-Project Cost:</b>                                                            | \$ |
| <b>State Government Benefit ( = A-B ):</b>                                                           | \$ |

**Annual Benefit Summary**

|                                                                              |    |
|------------------------------------------------------------------------------|----|
| State Government Benefit:                                                    | \$ |
| Citizen Benefit:                                                             | \$ |
| Opportunity Value or Risk/Loss Avoidance Benefit:                            | \$ |
| <b>C. Total Annual Project Benefit:</b>                                      | \$ |
| <b>D. Annual Prorated Cost (SECTION IV-A):</b>                               | \$ |
| <b>Benefit / Cost Ratio: (C / D) =</b>                                       |    |
| <b>Return On Investment (ROI): (C – D / Requested Project Funds) x 100 =</b> | %  |

☐ **Benefits Not Readily Quantifiable**

**Section V: ITC Project Evaluation Criteria**

| <b>Criteria and Location in Project Evaluation Document</b> |                                                                                                                                                                                                                                                                                                                                                      | <b>Points</b> |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1.                                                          | Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards?<br><b>Location: Section I-A</b>                                                                                                       | <b>15</b>     |
| 2.                                                          | Will the project improve customer service?<br><b>Location: Section I-B.2</b>                                                                                                                                                                                                                                                                         | <b>15</b>     |
| 3.                                                          | Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with lowans?<br><b>Location: Section I-B.3</b>                                                                                                                                                                                    | <b>10</b>     |
| 4.                                                          | Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income?<br><b>Location: Section IV-C</b>                                                                                                                                                                                          | <b>10</b>     |
| 5.                                                          | Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans?<br><b>Location: Section I-B.1</b>                                                                                                       | <b>10</b>     |
| 6.                                                          | Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs.<br><b>Location: Section II-B.5</b> | <b>10</b>     |
| 7.                                                          | Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy?<br><b>Location: Section II-B1, IVB2</b>                                                                                                       | <b>10</b>     |
| 8.                                                          | Will the project be for only one agency, multiple agencies, or the state government enterprise?<br><b>Location: Section I-B3, IIB4</b>                                                                                                                                                                                                               | <b>10</b>     |
| 9.                                                          | Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding)<br><b>Location: Section IV-B.2, IV-B.3</b>                                                                           | <b>5</b>      |
| 10.                                                         | What is the credibility of the requester based on past performance on other projects?<br><b>Location: Section II-A.2.d</b>                                                                                                                                                                                                                           | <b>5</b>      |
| <b>Total</b>                                                |                                                                                                                                                                                                                                                                                                                                                      | <b>100</b>    |